



## Above us only sky

### The transformation of Liverpool John Lennon airport



Liverpool John Lennon airport, as it is known today, has a long and distinguished history. Scheduled flights from Liverpool airport commenced in 1930. The UK's first ever inclusive charter tour flight took off from Liverpool in 1952. And Concorde has been a regular visitor since 1979. But it is only over the last five years that the airport has experienced real growth. Today, it is the UK's fastest growing airport, which has seen passenger throughput grow from 618,000 in 1996 to 2.7 million so far in 2002. *Locum Destination Review* examines the factors behind this remarkable transformation, and talks to the airport's managing director, **Neil Pakey**.

Until the mid-1990s, Liverpool had been just another regional airport, going about its business in a solid but unspectacular fashion, with an annual passenger throughput of around half a million. Then, in 1997, a massive growth in passenger numbers began when Peel Holdings acquired a 76 per cent shareholding in the business from British Aerospace. Neil Pakey, the airport's managing director, recalls the state of the airport at that time: 'The facilities were poor, there had been no investment, it was not an attractive proposition to operators, and little was being done to promote the airport to the airlines - it's hardly surprising that there had been no real growth for five years.'

#### Improving facilities and services

If things were to change, big improvements would be needed on all fronts. First, a major investment programme was put in place, to upgrade the airport's physical infrastructure. Over the past five years, Peel has invested over £50 million, with European Objective

One support, in developing a new state-of-the-art terminal building, a new control tower and other ancillary projects.

The new terminal, which was opened in spring 2002, has been the single biggest investment, costing £38 million. At 24,000 square metres and with 36 check-in desks, it is treble the size of the old terminal, capable of handling up to three million passengers annually. As well as enlarged departure lounges, passengers have a range of popular retail and catering brands from which to choose. Car parking capacity has also increased to 4,000 spaces.

Following the launch of its new terminal, the airport's new control tower was officially opened in May 2002. Costing some £3.5 million to construct and fit out with the latest air traffic control equipment, the facility consists of a 55-metre high control tower, radar room, air traffic engineering, airfield lighting engineering and administration area and took some 18 months to complete. Located to the south of the runway, the new control tower provides excellent visibility over the entire airfield bringing better runway utilisation compared to the previous building.

Even before completion of the new terminal and control tower, Peel's commitment to delivering these major capital projects was



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enough to convince operators of their ambitions for the airport. In October 1997, easyJet began daily flights from Liverpool to Amsterdam Nice, and further routes have followed, to Barcelona, Belfast, Geneva, Madrid, Malaga, Palma and Paris Charles de Gaulle and, most recently, Alicante. In February 1999, easyJet made Liverpool its second UK base airport, and in April 2001 it signed a 20-year contract with the airport. 'Having a property outlook, Peel saw easyJet as the anchor tenant, capable of drawing in other operators,' says Pakey, a strategy which has clearly paid off, with Ryanair following in the footsteps of easyJet, and enjoying success of its own, going from 10,000 to 110,000 passengers this year. The success of easyJet in particular has persuaded major tour operators of Liverpool's benefits, and recently new deals have been signed with, among others, Thomson and JMC. Thomson has achieved high growth, going from 20,000 to 220,000 passengers this year.

## Positioning and branding

With the infrastructure development programme underway, and deals with easyJet and Ryanair being signed, the opportunity emerged to fashion a new market positioning for the airport. Neil Pakey explains: 'Looking at our potential market in the region, we realised that we couldn't compete directly with Manchester, which positions itself as an international hub. Instead, we decided that Liverpool should be developed as the low-cost airport for the North West.' It is a strategy about which Manchester, far from being concerned, seems happy to agree with.

To cement the progress made, and to underpin planned future development, the decision was made to rebrand the airport. Permission was sought from Yoko Ono to use the name of her late husband, Liverpool's greatest musical son. Her approval was

forthcoming, and Liverpool John Lennon airport was born. 'The John Lennon name gives us a tremendous connection with Liverpool's cultural heritage and sense of place,' says Pakey. 'It also creates an opportunity to integrate the airport's brand and identity with the region's brand and identity. We have the support of, and work closely with, the Northwest Development Agency and other partners in building that sense of regional identity.'

In July 2001, Yoko Ono unveiled the new brand name and corporate identity for the airport, which famously includes a line from Lennon's most famous song, *Imagine*: 'Above us only sky'. In March 2002, Ono returned to lead the official renaming ceremony, with the help of Cherie Blair, unveiling a seven-foot bronze statue of the singer, which is sited on the main passenger walkway overlooking the check-in hall. 'John would have loved the fact that he is back home in Liverpool,' said Ono at the event. Yoko Ono returned for a third time, in July 2002, to help the Queen perform the official opening of the airport's new terminal. Another Beatles connection ensured further publicity for the airport during the year. When Sir Paul McCartney set off for Ireland to remarry, his family chose to fly from the airport recently renamed after his old songwriting partner Liverpool, an event covered by *Hello!* What a story, and what an opportunity to raise brand profile. These major pieces of exposure have been supplemented by namechecks on numerous TV programmes, from *Antiques Roadshow* to *Who Wants To Be A Millionaire?*

By anyone's reckoning, the rebranding exercise was a stroke of genius, which has already helped the airport to significantly raise its own profile as a regional gateway both for outbound passengers and for European inbound visitors to the region.

As brand awareness goes through the roof, so do passenger numbers: easyJet carried its five millionth passenger from Liverpool John Lennon in October 2002. And the airline has already reached its



Thanks to easyJet, Liverpool John Lennon now dominates the Northwest short-haul market

Table 1: Northwest England to Nice

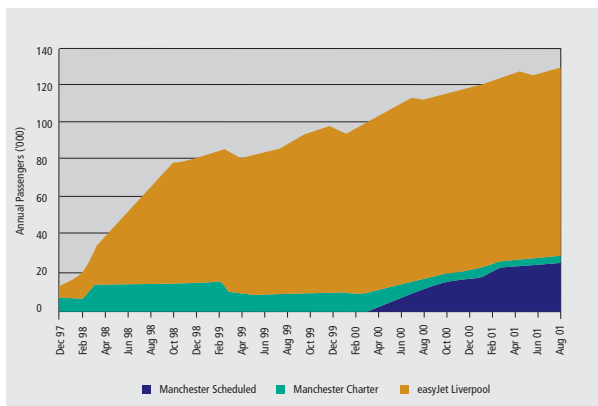


Table 2: Northwest England to Madrid

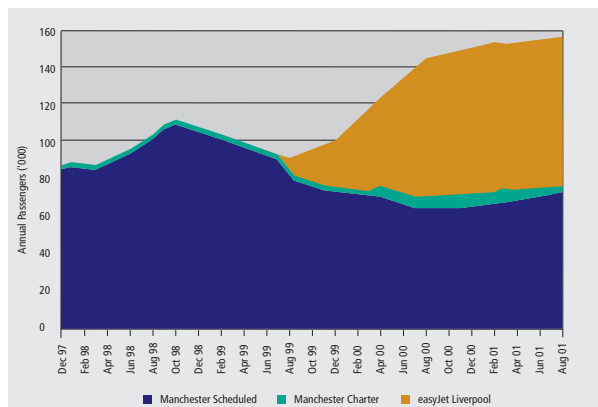
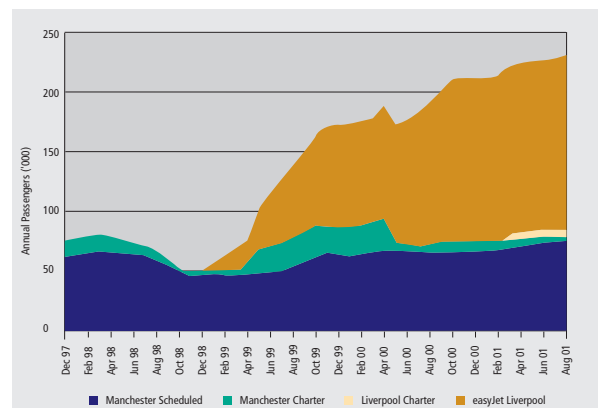


Table 3: Northwest England to Barcelona



target of basing seven aircraft at the airport, a figure that was set when the 20-year deal was made, and which was not expected to be fulfilled for some time to come. The continued growth of the low-cost airline industry and the forecast growth of charter services by the UK's top four operators means that by 2006, 4.5 million passengers are expected to be using the airport annually.

## Further development

In order to cope with these anticipated increases, plans for an expansion of the new terminal are already in place. It is to be increased in size by a further 8,600 square metres, over a third of the size of the existing floor space. In addition to the terminal expansion, planning consent has been given for an extension to the set down area with improved public transport facilities, provision of an additional 2,265 car parking spaces on vacant land to the West of Speke Hall Avenue, and other related infrastructure and landscaping. The airport is already one of Merseyside's major employers, attracting inward investment and economic benefits. An additional 1,365 local jobs are expected to be created as a result of this next phase of expansion.

Dependent upon detailed traffic forecast information from airlines and tour operators, work on the next phase of expansion could commence as early as Spring 2003 costing an estimated £26 million. This will bring Peel Holdings' investment in the airport to approximately £80 million. Neil Pakey is, not surprisingly, upbeat about this next phase of development: 'Naturally we are delighted that these proposals have been approved. This decision will send a very positive message to existing and potential airlines and tour operators about our commitment to developing the airport. We have created a distinctive airport and the people working here are totally committed to developing its full potential in its particular markets.'

While investment in Liverpool John Lennon continues, Peel Holdings is also moving forward with plans for the other airports in its portfolio. It wants to convert its Doncaster Finningley airfield into a major international airport capable of handling over 2 million passengers and 62,000 tonnes of freight per annum by 2014. Doncaster Finningley has a runway long enough to cope with long-haul aircraft, and has a catchment of four million within a one-hour drive time. The expanded airport would bring significant economic benefits to Doncaster, South Yorkshire, North Nottinghamshire in particular, in the way of new jobs and prosperity. The proposed expansion has been subject to a public enquiry, and Neil Pakey is keen to see a positive outcome in the near future: 'We would like to be able to press forward with planning for Finningley as quickly as possible, because we are now planning ahead for the summer 2004 programmes.' In August 2001, Peel Holdings also purchased a 50 per cent shareholding in Sheffield City Airport.

If the learning from Liverpool John Lennon's recent transformation can be applied to similar effect at these other airports, the bigger operators, particularly Manchester, might just be forced to rethink their own positioning.